

MEF not in favour of plan to raise Socso contribution

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PETALING JAYA: The Malaysian Employers Federation (MEF) is not in favour with the proposal to raise Socso contributions, especially during the Covid-19 pandemic.

MEF executive director Datuk Shamsuddin Bardan said the timing of the proposal was not “in good taste” as many employers were struggling to stay afloat.

“For us, each ringgit counts. We are basically trying to do all we can to avoid incurring any additional cost during this period. We are trying hard to survive,” he said yesterday.

Shamsuddin was asked to comment on reports that the government was mulling the possibility of raising Socso contributions to widen the safety net for workers in the country.

In announcing this, Human Resources Minister Datuk Seri M. Saravanan assured the public that the proposed increase would not be drastic, and might only be between RM1 and RM2, adding that the last adjustment was in 1971.

Shamsuddin added that discussions to hike Socso contributions or benefits could be discussed after the economy recovers.

“Once the economy has returned to normal, I think employers will have no problem with that,” he said.

Federation of Manufacturers Malaysia (FMM) president Tan Sri Soh Thian Lai said the industry was open to review Socso rates as long as there was value or addition to the current employment landscape.

“Benefits to contributors should be in line with the dynamic and volatile changes in the economic and business environment and employment conditions,” he said, adding that it was crucial that there was extensive and meaningful consultation with all stakeholders.

“It is also equally important that the review process includes a cost and benefit analysis.

“This will ensure that emphasis is given to the impact of the review on businesses, and there is transparency in the decision-making process for a win-win outcome for all related parties,” said Soh.

SME Association of Malaysia president Datuk Michael Kang said while they supported the move to raise Socso contributions, doing it during this pandemic was wrong.

“Everyone is currently suffering and trying their best to rebuild from the economic setbacks due to the pandemic.

“We believe the government should not discuss it now,” he said, adding that the government should instead focus its effort on helping all the industries recover.

MTUC president Datuk Abdul Halim Mansor also called for the government to give a clearer explanation on the proposal.

“We believe it is timely that the government increase the contribution made by employers, and not the employees.

“This is because as we are heading towards becoming a developed nation, more protection should be given to employees as they need protection during working hours,” he said.

Abdul Halim suggested that a tripartite discussion be held on the matter at the national level so that a holistic agreement could be reached.